



## RATE and SERVICES OVERVIEW

# The Purpose of Human Resources

Human Resources in the State of Utah targets the following purposes:

- 1 Protect agency's business interests by helping ensure that management stays on the right side of the law in all aspects of employment.
- 2 Promote practices / strategies that aid agencies in attracting and retaining a talented workforce to fulfill their varied missions.
- 3 Develop management practices that optimize human capital and foster desired working environments.

# HR Service Delivery in Utah (DHRM)

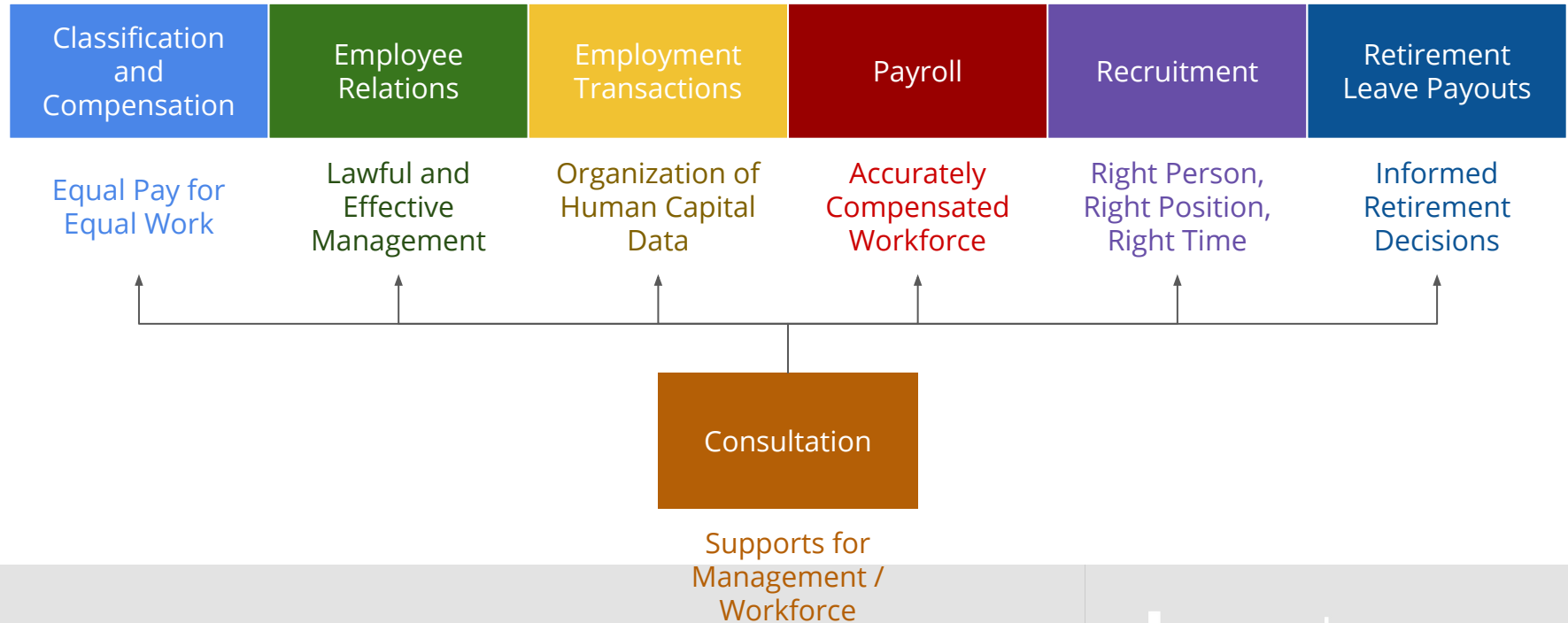
DHRM provides HR services in a shared services model consisting of over 100 different forms of workflow, process, or support.

The scope of HR work can be viewed in terms of seven core product / service lines provided by DHRM:



*Most forms of HR service are executed in partnership with agency management. Often, the effectiveness of HR processes and actions are jointly determined.*

# Service Delivery in Utah (DHRM)



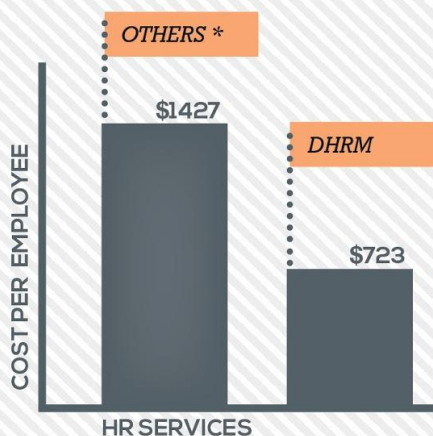
# Service Delivery in Utah (DHRM)

*"DHRM PROVIDES SERVICES  
MORE COST EFFECTIVELY THAN  
PRIVATE ALTERNATIVES"*

CONCLUDED FROM A 2014 TOTAL COST OF  
OWNERSHIP EVALUATION PERFORMED  
BY THE FREE MARKET PROTECTION  
AND EVALUATION PRIVITIZATION  
BOARD



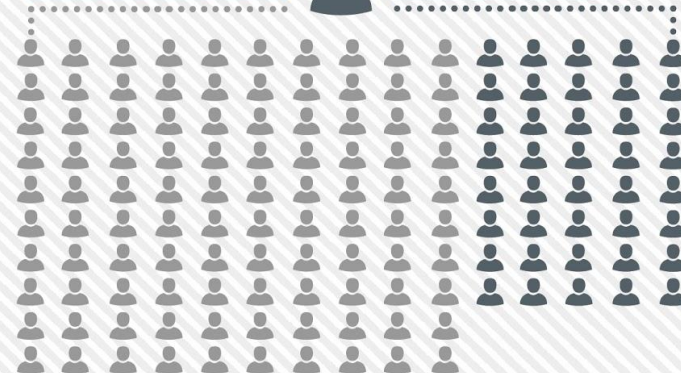
TOTAL COST OF  
OPERATIONS  
STUDY SHOWS  
HR SERVICES ARE  
**67% CHEAPER**  
THAN MARKET;  
PAYROLL,  
**24% CHEAPER**



AVERAGE HR DEPT.'S SERVE \*  
100 EMPLOYEES PER HR STAFF



DHRM SERVES 140  
EMPLOYEES PER HR STAFF



\*SRC. NATIONAL SOCIETY FOR HUMAN RESOURCE MGMT (SHRHM), 2016

# Service Delivery in Utah (DHRM)



**Statewide satisfaction rate has increased year to year, from 86% satisfaction in 2012 to **95%** satisfaction in 2016.**

# DHRM Budget

No rate increase was proposed to rate committee for FY18.

DHRM has never proposed a rate increase other than those due to compensation bills.

DHRM reduced general fund portion of the budget from \$3.6M in 2009 to \$2.6M in FY16.

Funding shift to ISF in FY17 saved \$1.5M in the general fund.

DHRM charged agencies less than authorized rates in FY16 and FY17 when efficiencies were realized that resulted in savings.

DHRM proposes current general fund budget for ALJ program of \$76,900 be reduced to \$20,000 with \$20,000 in non-lapsing authority.

# ISF Rates

DHRM charges customer agencies three rates:

<p>HR Services (\$723/FTE)</p> <p>Executive Branch Agencies</p> <ul style="list-style-type: none"><li>• Classification and Compensation</li><li>• Employee Relations</li><li>• Employment Transactions</li><li>• Recruitment</li><li>• Retirement Leave Payouts</li><li>• Consultation</li></ul>	<p>Payroll (\$54/FTE)</p> <p>Most Executive Branch Agencies</p> <ul style="list-style-type: none"><li>• Payroll processing</li></ul>	<p>Core HR (\$12/FTE)</p> <p>All State Employees</p> <ul style="list-style-type: none"><li>• HRE- stores employee information, interfaces with payroll processing</li><li>• Recruitment System- StateJobs.Utah.gov</li></ul>
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# Human Resource Information System

## Background:

- The current records system for the State of Utah (HRE) requires an update for several reasons, most importantly data security.
- Using RFI protocols (2013) and research into vendor products, it was determined that an off-the-shelf solution would cost in the tens of millions.
- Developing a system with DTS was determined to provide the best return on investment.



# Human Resource Information System

## HRIS Value Proposition:

- Resolve all required updates to core HR records system (security, basic functions, etc)
- Produce a workflow management system that is a key part of DHRM's strategy for easy to use, impactful, cost-effective HR services
- Produce standardized data sets that enhances analysis of key trends related to the State of Utah's workforce
- Provide self-service portals (recommendation from the TCO study)



# Human Resource Information System

## CURRENT STATE:

- Core system replacement (HRE only) will be code complete by the end of February 2017.
- The February deliverable does not include scope targeting improved processes, self service, or workflow management.
- DHRM is working with DTS for formal estimates of time / cost on remaining scope.
- At current pace of spending, HRIS is still a tremendous value for the State of Utah.



# HRIS Capital Outlay Authority

ISF's require legislative authority for IT projects over \$5,000; this was recently changed from \$500,000.

HRIS costs were higher than the original estimate. DHRM is using retained earnings to cover the increased costs of the system build.

In 2016 DHRM received authorization of \$600,000 in capital transfer authority and \$575,000 in capital outlay authority.

DHRM is requesting an additional \$100,000 in capital transfer authority and \$525,000 additional outlay authority for FY17.

DHRM is requesting \$1.5M in outlay authority of FY18.

# In Summary

1

DHRM continually works to find ways to produce more valuable HR services by continuous improvement disciplines.

2

DHRM has achieved savings that has rendered steady rates over time.

3

DHRM customer satisfaction rates are high and have been on the rise over the past four years.

4

DHRM has a long term improvement plan. HRIS is a key part of this plan and is cost-effective in contrast to the market.